

Consolidated Cash Flow Statement

Year ended 31 March 2005

	Notes	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(87,835)	(35,835)
Adjustments for:			
Share of loss of an associate		–	1,727
Depreciation	6	6,396	11,805
Amortisation of intangible assets	6	7,317	9,933
Impairment of intangible assets	6	79,958	59,981
Amortisation of goodwill	6	3,526	2,838
Impairment of goodwill	6	6,600	8,906
Provision/(write-back of provision) for bad and doubtful debts	6	(9,858)	4,635
Loss on disposal of fixed assets	6	131	261
Gain on disposal of intangible assets	6	–	(3,158)
Gain on disposal of subsidiaries	6, 31(b)	(72)	–
Gain on partial disposal of a subsidiary	6	–	(20,760)
Interest income	6	(925)	(749)
Finance costs	7	2,203	2,375
Operating profit before working capital changes		7,441	41,959
Decrease/(increase) in inventories		(10,377)	1,970
Decrease in accounts receivable		28,043	35,769
Decrease/(increase) in prepayments, deposits and other receivables		3,282	(24,004)
Increase/(decrease) in accounts and bills payable		(5,705)	7,959
Increase in accrued liabilities and other payables		7,535	876
Cash generated from operations		30,219	64,529
Interest received		925	438
Interest paid		(2,203)	(2,375)
Overseas taxes paid		(3,353)	(4,982)
Net cash inflow from operating activities		25,588	57,610

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CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	12	(969)	(4,460)
Increase in intangible assets	13	–	(21,698)
Proceeds from disposal of fixed assets		1,544	38
Proceeds from disposal of intangible assets		–	3,763
Decrease/(increase) in pledged bank deposits		(961)	1,033
Increase in interest in a subsidiary		–	(12,281)
Acquisition of subsidiaries	31(a)	(53,009)	–
Proceeds from disposal of subsidiaries	31(b)	24,105	–
Proceeds from partial disposal of a subsidiary		–	23,000
Decrease/(increase) in an amount due from a related company		9,171	(948)
Increase in amounts due from related companies		(9,928)	–
Increase in deposits paid		–	(6,689)
Net cash outflow from investing activities		(30,047)	(18,242)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in trust receipt loans		2,060	(4,584)
New bank loans		–	31,901
Repayment of bank loans		(9,905)	(37,735)
Repayment of promissory notes		–	(15,000)
Dividends paid to minority equity holders		–	(1,563)
Decrease in an amount due to a minority equity holder		(2)	–
Net cash outflow from financing activities		(7,847)	(26,981)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(12,306)	12,387
Cash and cash equivalents at beginning of year		70,634	58,247
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		58,328	70,634
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		58,337	70,634
Bank overdrafts	26	(9)	–
		58,328	70,634